

MINUTES
Finance Committee
March 20, 2000

The Finance Committee met March 20, 2000, at 9:30 a.m. (ET) in the Department of Local Government's Conference Room, Frankfort. Finance Committee Chair Baker presided.

ROLL CALL

The following members were present: Mr. Greenberg, Mr. Hackbart, Ms. Legg, Mr. Listerman, Mr. Owen, Mr. Whitehead, and Chair Baker. Mr. Barger was not present.

*APPROVAL OF
MINUTES*

A motion was made by Mr. Hackbart and seconded by Mr. Greenberg to approve the November 8, 1999, Finance Committee Minutes.

*INFORMATION:
BUDGET STATUS
REPORT*

Mr. Walker and Mr. Carson discussed the agenda materials and information about the House-passed postsecondary education budget being considered by the Senate. The report incorporated previous postsecondary education funding level increases since 1997-98 and postsecondary education funding compared to revenue growth.

Guidelines for each incentive trust fund approved by the legislature will be developed by July 2000. The Council staff will work with the institutions to develop the guidelines, which must be approved by the Council. At the request of Mr. Greenberg, the Council staff will circulate the existing guidelines for the Research Challenge Endowment and the Regional University Excellence Endowment to the Finance Committee members. The Council staff also will send a report describing matching activities.

During this budget process, the Governor set an objective to keep total statewide appropriation-supported debt at 6 percent of total projected revenue. This debt cap goal concerns the presidents in that it may impede the institutions' abilities to maintain existing buildings and build new buildings that generate revenue. Technical refinements to the debt calculation are being considered by the administration.

In keeping with the 6 percent debt cap goal, the Governor recommended only \$35 million for the Agency Bond Pool. The presidents expressed concern about funding for fire safety projects. When considering Agency Bond Pool projects, the Council staff will give fire safety projects priority.

The House authorized construction of the University of Kentucky and University of Louisville research buildings provided that each institution commit to funding the remaining portion of the building constructed at its institution. Mr. Greenberg clarified that the institutions do not need to have the money “in hand,” but each institution must commit to funding the remaining portion of the construction costs for its research building.

Additional budget language for postsecondary education was added by the House. The language deals with the Kentucky Commonwealth Virtual University and the endowment trust funds. The Council staff is working with the Senate leadership to change that budget language.

ADJOURNMENT

The meeting adjourned at 11:00 a.m.

Respectfully submitted,

J. Kenneth Walker
Vice President for Finance

Billie D. Hardin
Secretary